

PROCESSING COPY

ORR

## INFORMATION REPORT INFORMATION REPORT

## CENTRAL INTELLIGENCE AGENCY

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

SECRET

25X1

COUNTRY Hungary

REPORT

SUBJECT

Metallurgical Works, Ozd

DATE DISTR.

1 MAY 1957

25X1

NO. PAGES

1

REQUIREMENT  
NO.

RD

25X1

REFERENCES

DATE OF  
INFO.PLACE &  
DATE ACQ.

25X1

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

report on the Metallurgical Works (Ozdi Kohaszati Uzemek) in Ozd (48-13 N; 20-18 E). The report contains information on the layout (sketch, attached) of the plant, further on machinery, equipment, production, and labor force.

25X1

25X1

SECRET

|  |   |      |   |      |   |     |   |     |  |     |  |  |  |  |  |
|--|---|------|---|------|---|-----|---|-----|--|-----|--|--|--|--|--|
| STATE  | X | ARMY | X | NAVY | X | AIR | X | FBI |  | AEC |  |  |  |  |  |
| (Note: Washington distribution indicated by "X"; Field distribution by "#".) |   |      |   |      |   |     |   |     |  |     |  |  |  |  |  |

INFORMATION REPORT INFORMATION REPORT

SECRET

25X1

HUNGARY

Economic

SECRET

The OZDI KOHASZATI UZEMEK Foundry, OZD

1. The foundry known as the OZDI KOHASZATI UZEMEK was formerly called the RIMA MURANY SALGOTARJAN VAS ES ACEL GYAR. Another factory bearing this latter name is situated at SALGOTARJAN.

2. The factory produces, inter alia, steel sheets, railway-lines, girders, concrete-reinforcing rods, bridge-parts and half-finished screws and nails. No tank parts are made but in a work-shop attached to the coarse rolling-mill, metal discs are made which are then sent to DIOSGYOR for stretching and making into shell-cases. Production of these discs is not continuous but is often held up by the lack of good steel, and of the necessary acids used, as well as by breakdowns and pauses for maintenance. It is not known whether these stoppages are also caused by an irregular demand at DIOSGYOR.

25X1

3. An order for bridge-parts was received [redacted] during 1956.

[redacted] the order is believed to have been accepted with Russian prompting. The order will have caused considerable strain on the financial and other resources of this factory, as continual stoppages have been caused by the use of inferior-quality steel, which has involved the re-casting of many parts.

4. The workers at this factory number 14,000. They work in three shifts (all of which are production shifts).

5. The director of the factory is HORVATH Laszlo, a Communist and a most unpopular man. He had attended the "Red Academy" in HUNGARY for some considerable time.

6. There are four blast furnaces at OZD, three of them being of approximately 350 cubic metres capacity. The fourth is under re-con- 25X1 struction and will eventually be 450 cubic metres. The blast furnaces

SECRET

/are ...

**SECRET**

25X1

- 2 -

are fed with both hot and cold compressed air, supplied by a compressing plant in the centre of the factory.

7. In the steel plant there are twelve furnaces and two mixers.

8. The thermal power plant contains four small boilers (giving steam at 8 atmospheres), four medium boilers and a large boiler. The latter works on the PAKURA firing system employing a mixture of coal dust and thick oil. It will work on coal dust alone but generates more power when using oil as well.

9. Steam from these boilers is fed to the generating station nearby. Power from here is used to drive the machinery in the factory and a surplus is often fed into the local grid. At times power has to be drawn into the factory from this grid but it is hoped to instal a new boiler in the power house by 1950 which will enable a continual flow of electricity to be generated for external use.

10. The rolling mills are at present operated by steam. It is hoped to replace this by electricity at some future date.

11. Nothing is known of the announcement made in January 1956 that new plant (other than that mentioned above) is to be built at this factory. Announcements of this nature are made frequently, but the percentage which sees the light of day remains extremely small.

12. It is commonly said amongst workers in OZD that in spite of the plans for expansion mentioned above, OZD will find it difficult to remain in production once the SZTALINVAROS works enter full production. Over-industrialisation of the country has outstripped the supply of raw materials and OZD is even now held up at frequent intervals for lack of these. SZTALINVAROS, being equipped with more modern plant will naturally be given priority for materials, and supplies from abroad will therefore be essential if OZD is to continue.

/Appendix .....

**SECRET**

25X1

**SECRET**

'A'

Attached is a plan of the OZDI KOHASZATI UZEMEK, OZD. Points to be borne in mind are:-

- (a) The plan does not pretend to be a scale-drawing but rather a diagram illustrating the general lay-out.
- (b) Positions and sizes of buildings are only approximate.
- (c) Only the principal buildings and installations have been included.

25X1

The key to the numbering on the plan is as follows:-

1. Iron ore in HUNGARY tends to be dusty and there is therefore a plant at OZD where it is subjected to heat sufficient, not to melt it, but merely to cake it together to prevent it clogging the blast furnaces.
2. Elevated hoppers for holding the iron ore prior to smelting. Various types are believed to be held in separate containers. The railway tracks climb a ramp here and run over the tops of the hoppers.
3. There is a yard here for processing the slag deposits into bricks, etc.
4. OZD station. Goods trains may proceed beyond this point but passengers have to alight. If they wish to proceed south they have to transfer to the narrow-gauge line.

Railway tracks in the northern half of the factory are mainly normal-gauge. Those in the southern half are either narrow-gauge or are normal-gauge equipped with a third rail to permit their use by narrow-gauge rolling stock. This is the case as far south as HODOS-CSEpany. Beyond this point and as far as the terminus at BORSODNADASD, the track is narrow-gauge only.

5. The moulding shop apparently has its own supply of steel and is used mainly for making certain replacements for the factory plant.
6. The generators are housed in the northern end of this building (A). The control-panels etc. are at (B), and the electrical maintenance work-shops at (C).

**SECRET**

/7 .....

25X1

**SECRET**

- 2 -

7. This is the building where the steel discs are made for despatch to DIOSGYOR.

25X1

8. This brickyard produces "MAGNEZET" fire-proof bricks for the blast-furnaces. When the brick lining of these furnaces is periodically dismantled the whole bricks are replaced in position whilst the broken bricks are believed to be crushed and used again after treatment. It is thought possible that the clay originally used for the bricks comes from abroad.

9. Yards for iron and steel scrap on the east, whilst on the west are yards for dumps of coal, iron-ore, and slag. The latter is allowed to solidify in basins and is then processed and used in bricks, paving stones, etc.

10. The coal for OZD comes from several places, but this yard is mainly intended for sorting the coal from SOMSALY and BORSODNADASD before it is used in the factory.

11. The narrow-gauge railway goes to BORSODNADASD works via ARLO, MAJACS, and BORSODNADASD town. Between HODOS-CSEpany and ARLO there is a branch line going to SOMSALY.

**SECRET**

25X1

